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**REMARKS**

Claims 1-40 are pending in the application. Claims 1, 11, 21, and 31 are independent claims. The specification and claims 1-8 and 10 are currently amended.

Claims 1-40 have been rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent Application Publication No. 2002/0013802 ("Mori").

In response, independent claim 1 has been amended to include at least one limitation not described by Mori. Specifically, amended claim 1 requires reallocating only a subset of a plurality of physical resources to a virtual machine based on evaluated usage. In contrast, Mori describes reallocating resources of an active operating system to a standby operating system (see abstract). Support for the amendment to claim 1 may be found in lines 6-8 of page 7 of the specification.

Furthermore, independent claims 11, 21, and 31 include at least one limitation not described by Mori. Specifically, each of independent claims 11, 21, and 31 require reallocating physical resources to virtual machines based on evaluating the usage of the physical resources by the virtual machines. In contrast, Mori describes reallocating resources based on switching from an active operating system to a standby operating system.

Therefore, none of independent claims 1, 11, 21, and 31, nor any of their dependent claims, are anticipated by Mori, and the withdrawal of the rejection of these claims is respectfully requested.

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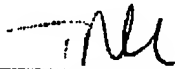
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## CONCLUSION

Based on the foregoing, it is respectfully submitted that the rejections of claims 1 to 40 have been overcome, and that these claims are in condition for allowance. The applicant therefore respectfully requests the issuance of a Notice of Allowance. Please charge any necessary fees, including extension fees, to our Deposit Account No. 50-0221.

Respectfully submitted,

Date: June 17, 2008  
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